UNITED NATIONS

General Assembly

FORTY-NINTH SESSION

Official Records

FIFTH COMMITTEE
66th meeting
held on
Friday, 14 July 1995
at 6.30 p.m.
New York

SUMMARY RECORD OF THE 66th MEETING

Chairman: Mr. TEIRLINCK (Belgium)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS (continued)

(a) APPOINTMENT OF MEMBERS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued)

AGENDA ITEM 146: FINANCING OF THE INTERNATIONAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF THE FORMER YUGOSLAVIA SINCE 1991 (continued)

AGENDA ITEM 109: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS

AGENDA ITEM 163: FINANCING OF THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR GENOCIDE AND OTHER SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF RWANDA AND RWANDESE CITIZENS RESPONSIBLE FOR GENOCIDE AND OTHER SUCH VIOLATIONS COMMITTED IN THE TERRITORY OF NEIGHBOURING STATES BETWEEN 1 JANUARY AND 31 DECEMBER 1994 (continued)

AGENDA ITEM 117: FINANCING OF THE UNITED NATIONS ANGOLA VERIFICATION MISSION (continued)

AGENDA ITEM 119: FINANCING OF THE UNITED NATIONS MISSION FOR THE REFERENDUM IN WESTERN SAHARA (continued)

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CONTENTS (continued)

AGENDA ITEM 121: FINANCING AND LIQUIDATION OF THE UNITED NATIONS TRANSITIONAL AUTHORITY IN CAMBODIA (continued)

AGENDA ITEM 122: FINANCING OF THE UNITED NATIONS PROTECTION FORCE (continued)

AGENDA ITEM 123: FINANCING OF THE UNITED NATIONS OPERATION IN SOMALIA II (continued)

AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

AGENDA ITEM 108: PROGRAMME PLANNING (continued)

AGENDA ITEM 113: HUMAN RESOURCES MANAGEMENT (continued)

AGENDA ITEM 132: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

(a) FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

(b) RELOCATION OF BELARUS AND UKRAINE TO THE GROUP OF MEMBER STATES SET OUT IN PARAGRAPH 3 (c) OF GENERAL ASSEMBLY RESOLUTION 43/232 (continued)

ORGANIZATION OF WORK

CLOSURE OF THE SECOND PART OF THE RESUMED FORTY-NINTH SESSION OF THE FIFTH COMMITTEE

The meeting was called to order at 8.15 p.m.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS (continued) (A/49/101/Add.3)

(a) APPOINTMENT OF MEMBERS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued)

1. The CHAIRMAN said that the Secretary-General had received notification of the resignation of Mr. Wolfgang Münch (Germany) from the membership of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). Accordingly, he had requested the General Assembly to appoint a person to fill the unexpired portion of Mr. Münch's term of office until 31 December 1995.

2. The Government of Germany had nominated Mr. Wolfgang Stöckl to fill the vacancy. He took it that the Committee wished to recommend the appointment of Mr. Stöckl by acclamation.

3. It was so decided.

AGENDA ITEM 146: FINANCING OF THE INTERNATIONAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF THE FORMER YUGOSLAVIA SINCE 1991 (continued) (A/C.5/49/L.66)

Draft resolution A/C.5/49/L.66

4. Ms. ROTHEISER (Austria), coordinator of the informal consultations on draft resolution A/C.5/49/L.66, said that the expenses of the International Tribunal would be met through additional resources from assessed contributions and that those contributions should be administered in a separate special account outside the regular budget.

5. The draft resolution would have the General Assembly decide to appropriate to the special account of the International Tribunal referred to in General Assembly resolution 47/235 a total amount of $43,991,600 gross ($39,095,900 net) for the period from 1 January 1994 to 31 December 1995, inclusive of the authorized commitment authority of $26,175,000 and the amount of $276,200 expended in 1993. The Assembly would further decide, as an ad hoc and exceptional arrangement, that Member States should waive their respective shares in the credits arising from previous budgets of the United Nations Protection Force in the total amount of $21,995,800 gross ($19,547,950 net).

6. Finally, the draft resolution would have the Assembly also decide to apportion $21,995,800 gross ($19,547,950 net) for the period from 1 January 1994 to 31 December 1995 among Member States, using the scale of assessments for the year 1994 for the portion of that amount which related to the period ended 31 December 1994, i.e. $6,130,350 gross ($5,528,100 net), and using the scale of assessments for the year 1995 for the balance, i.e. $15,865,450 gross ($14,019,850 net), relating to the period from 1 January to 31 December 1995.

Since the resolution had emerged from informal consultations, she commended it to the Committee for adoption witnout a vote.

7. Mr. HANSEN (Canada) said that the draft resolution represented a hard-won consensus and Canada believed that in general such tribunals should be financed by assessed contributions to the regular budget. While disagreeing with much of the draft resolution, his delegation had joined the consensus on the understanding that the General Assembly would not authorize any new or increased assessments beyond those outlined in paragraphs 22 and 23.

8. Draft resolution A/C.5/49/L.66 was adopted.

9. Mrs. ARAGON (Philippines), speaking on behalf of the Group of 77, said that the Group attached great importance to the financing of the Tribunal and had made substantial compromises in order to facilitate a consensus. She hoped that other delegations would take note of the efforts the Group had made.

10. Mr. MUÑOZ (Spain), speaking on behalf of the European Union, said that his delegation was satisfied with the agreement that had been reached and regarded it as an acceptable basis for the financing of the Tribunal. He hoped that all States would pay the prorated contributions outlined in the draft resolution.

11. Mr. SHARP (Australia) endorsed the remarks made by the Spanish delegation.

12. Mr. RIDER (New Zealand) said that his delegation wished to join the consensus on draft resolution A/C.5/49/L.66. He therefore withdrew the draft resolution on the same topic which it had submitted earlier (A/C.5/49/L.44).

13. Draft resolution A/C.5/49/L.44 was withdrawn.

AGENDA ITEM 109: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued)

14. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that the Secretary-General had recently addressed the High-level Open-ended Working Group on the financial situation of the United Nations to appeal for the urgent assistance of all Member States in dealing with the serious situation the Organization was facing. The prospects for the coming months were bleak and it was therefore imperative to find a way of managing the debts accumulated by the United Nations.

15. As at 30 June 1995, the Organization had debts of approximately $1.5 billion, including some $760 million owed to approximately 60 Member States for their troop and equipment contributions to peace-keeping operations. The United Nations also owed $375 million to vendors and suppliers. It owed Member States some $400 million for budgetary surpluses in prior years. In short, amounts owed exceeded cash on hand by approximately $1 billion.

16. As at 30 June, Member States owed the United Nations approximately $2.7 billion in outstanding assessments ($870.1 million for the regular budget and $1.8 billion for peace-keeping operations). The amount owed to the United Nations was increasing. As of the end of June, only 57 Member States, or

31 per cent of the membership, had paid their regular budget contributions in full. Based on past experience, it was expected that only 67 per cent of the year's regular budget assessment would be collected, which was simply not enough.

17. The causes of the precarious financial situation were plain and followed the same pattern as in previous years, namely late or non-payment of assessed contributions for both the regular budget and peace-keeping operations; delay between the approval of peace-keeping operations by the Security Council and the receipt of cash to pay for them; and an increasing number of unfunded mandates. Lateness and delays created a situation in which inflow of cash was far less than was needed to meet obligations. Difficulties were exacerbated by a lack of adequate cash reserves to bridge the gap.

18. Without cash, the United Nations was obliged to delay payments to Member States for troops and equipment that they had provided to various peace-keeping operations. Basically, Member States which waited for payment were financing late payment by other Member States.

19. If the United Nations continued to pay States for troops and equipment, cash reserves would fall below $200 million by the end of the year, which was not enough to cover requirements for three weeks. In the circumstances, the United Nations would have no choice but to stop virtually all payments to Member States for troops and equipment. Consequently the troop- and equipment-related debt of some $800 million would rise to $1.1 billion by the end of 1995, an unprecedented and alarming amount.

20. Owing to the seriousness of the situation, a letter had again been sent to all Permanent Representatives requesting them to provide an indication of their Government's planned schedule of payments of outstanding assessments, if any, for the regular budget and peace-keeping operations. The Secretary-General had made a number of proposals designed to alleviate the situation, including early assessments and redeemable peace-keeping certificates. The mutual exchange of debt obligations was another measure calculated to redress the debt owed to the United Nations.

21. Unless there was a drastic improvement in the cash-flow projections, the Secretary-General would have to propose curtailing activities for which assessments had been approved but which had not been paid by Member States.

22. Mr. GOKHALE (India), supported by Mr. BALUCH (Pakistan), regretted that a routine letter had been sent to his Permanent Representative on the subject of outstanding assessments when his Government had paid all its contributions in a prompt and timely manner. He asked why greater efforts were not being made to pursue those States which were consistently in arrears, thus enabling his Government to recoup money owed to it by the United Nations.

23. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that in India's case the letter should have been marked "for information only". He assured the Indian delegation that special measures were being taken to pursue consistently late payers.

24. The CHAIRMAN said he would take it that the Committee wished to take note of the statement by the Under-Secretary-General for Administration and Management and recommend to the General Assembly that it should request the Secretary-General to submit a report on improving the financial situation of the United Nations at its fiftieth session.

25. It was so decided.

AGENDA ITEM 163: FINANCING OF THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR GENOCIDE AND OTHER SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF RWANDA AND RWANDESE CITIZENS RESPONSIBLE FOR GENOCIDE AND OTHER SUCH VIOLATIONS COMMITTED IN THE TERRITORY OF NEIGHBOURING STATES BETWEEN 1 JANUARY AND 31 DECEMBER 1994 (continued) (A/C.5/49/L.67)

Draft resolution A/C.5/49/L.67

26. Mr. HANSEN (Canada), coordinator of the informal consultations on draft resolution A/C.5/49/L.67, said that the draft resolution would have the General Assembly decide to appropriate to the special account for the International Tribunal for Rwanda a total amount of $13,467,300 gross ($12,914,900 net) for the period to 31 October 1995, inclusive of the commitment of authority of $2,914,900 authorized by the Advisory Committee on Administrative and Budgetary Questions. The Assembly would also decide, as an ad hoc and exceptional measure, that, notwithstanding the provisions of paragraph 12 of General Assembly resolution 49/20 B of 12 July 1995, Member States would waive their respective shares in the credits arising from previous budgets of the United Nations Assistance Mission for Rwanda (UNAMIR) in the total amount of $6,733,650 gross ($6,457,650 net), and hence accept an equivalent increase in the assessments for a future budget period of UNAMIR in an amount of $6,733,650 gross ($6,457,450 net), to be transferred to the special account for the International Tribunal for Rwanda from the special account established for UNAMIR. Since the resolution had emerged from informal consultations, he commended it to the Committee for adoption without a vote.

27. Draft resolution A/C.5/49/L.67 was adopted.

28. Mr. MADDENS (Belgium) expressed satisfaction at the adoption of the draft resolution, since firm and stable arrangements for financing the Tribunal were a priority for his delegation.

29. Mr. TAKASU (Controller), noting the reference in paragraphs 5 and 8 of the draft resolution to paragraph 12 of General Assembly resolution 49/20 B concerning UNAMIR, said that implementation of paragraph 12, concerning the use of the unencumbered balance, would be deferred until the Secretariat had sent out the letters of assessment for UNAMIR. The amount to be assessed would be exclusive of the unencumbered balance.

AGENDA ITEM 117: FINANCING OF THE UNITED NATIONS ANGOLA VERIFICATION MISSION (continued)

Draft resolution A/C.5/49/L.62

30. Ms. PEÑA (Mexico), coordinator of the informal consultations on the financing of the United Nations Angola Verification Mission, said that draft resolution A/C.5/49/L.62 provided for an additional amount of $139.5 million gross, or $138,100,000 net, to be apportioned among Member States, for the period from 9 February to 8 August 1995. For the period beyond 8 August 1995, the Secretary-General would be authorized to enter into commitments at a rate of $13.9 million gross ($13.3 million net) per month until 31 December 1995. Since the draft resolution was the result of a consensus, she commended it to the Committee for adoption without a vote.

31. Draft resolution A/C.5/49/L.62 was adopted.

AGENDA ITEM 119: FINANCING OF THE UNITED NATIONS MISSION FOR THE REFERENDUM IN WESTERN SAHARA (continued)

Draft resolution A/C.5/49/L.61

32. Mr. HAMMARSKJÖLD (Sweden), coordinator of the informal consultations on agenda item 119, said that since draft resolution A/C.5/49/L.61 commanded consensus, he commended it to the Committee for adoption without a vote.

33. Draft resolution A/C.5/49/L.61 was adopted.

AGENDA ITEM 121: FINANCING AND LIQUIDATION OF THE UNITED NATIONS TRANSITIONAL AUTHORITY IN CAMBODIA (continued)

34. The CHAIRMAN said that, owing to time constraints, the Committee was not in a position to conclude its consideration of agenda item 121. He therefore suggested that the item should be referred to the fiftieth session of the General Assembly. He reiterated his request for a detailed assessment from the Secretary-General of all aspects of the administration and management of the operation in Cambodia which might prove useful to the General Assembly in its deliberations relating to other peace-keeping operations.

35. It was so decided.

AGENDA ITEM 122: FINANCING OF THE UNITED NATIONS PROTECTION FORCE (continued)

Draft resolution A/C.5/49/L.63

36. Mr. KELLY (Ireland), coordinator of the informal consultations on agenda item 122, said that the Committee had had before it a number of reports from the Secretary-General, in particular, A/49/540/Add.2, 3 and 4, as well as related written and oral reports of the Advisory Committee. Owing to overwhelming pressure of work, the Advisory Committee had been unable to undertake a detailed study of the Secretary-General's reports and could only recommend interim financing arrangements pending a fuller consideration of the reports as well as

supplementary information to be provided by the Secretariat at the fiftieth session of the General Assembly. Draft resolution A/C.5/49/L.63 was based on the Advisory Committee's recommendation. He understood that there was a consensus on the draft resolution and commended it to the Committee for adoption without a vote.

37. Draft resolution A/C.5/49/L.63 was adopted.

38. Mr. TOYA (Japan) said that his delegation had joined in the consensus in the belief that it was necessary to secure funding immediately. However, he wished to reiterate his delegation's position that a peace-keeping operation approved by the Security Council should be financed by all Member States. The mode of financing adopted for the rapid reaction force should be viewed as exceptional and not taken as a precedent for other peace-keeping operations.

AGENDA ITEM 123: FINANCING OF THE UNITED NATIONS OPERATION IN SOMALIA II (continued)

39. The CHAIRMAN suggested that, in view of the fact that reports which the Committee had requested of the Secretary-General were still being processed, the item should be deferred to the fiftieth session.

40. It was so decided.

AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

41. THE CHAIRMAN said that, since no agreement had been reached on a draft resolution, the best course would be to defer the item to the fiftieth session. The Committee should also request the Secretary-General to update his report on restructuring the Secretariat (A/49/336) and report to the General Assembly on the steps taken with a view to implementing the recommendations contained in his report on the establishment of a transparent and effective system of accountability and responsibility (A/C.5/49/1). He took it that the Committee wished to proceed in that manner.

42. It was so decided.

43. The CHAIRMAN drew the attention of the Committee to draft resolution A/C.5/49/L.60, entitled "Rationalization of the work of the Fifth Committee", which the Committee had not had time to examine in depth in informal discussions. He therefore suggested that the Committee should revert to the matter at the forty-ninth session resumed in September.

44. It was so decided.

45. Ms. BUERGO (Cuba) deplored the absence of political will among Member States in failing to reach an agreement on agenda item 105. The serious implications of postponing discussion of such important questions to subsequent sessions were well known. Her delegation wished to reiterate its deep concern at the increasing difficulty that the Committee seemed to be experiencing in completing its work. It was an unfortunate precedent to defer consideration of

items related directly to General Assembly resolution 41/213. The future implications of such action should be carefully examined.

AGENDA ITEM 108: PROGRAMME PLANNING (continued)

46. The CHAIRMAN suggested that consideration of item 108 should be deferred to the fiftieth session.

47. It was so decided.

AGENDA ITEM 113: HUMAN RESOURCES MANAGEMENT (continued)

48. Mr. SHARP (Australia), introducing draft resolution A/C.5/49/L.65, said that, while delegations welcomed the use of retirees' services, there was some concern that in practice, the approved $12,000 per annum cap had not been observed. However, the draft resolution as it stood might adversely affect the work of the Office of Conference and Support Services. A new paragraph 6 should, therefore, be added, to read:

> "Authorizes, on an exceptional basis, during the fiftieth session, a derogation from the decision in paragraph 5 above, with a view to maintaining the maximum effectiveness of conference services."

49. Ms. BUERGO (Cuba) said that her delegation would reserve its final position until the Secretary-General's report to the fifty-first session had been discussed. In the meantime, she sought assurances that any adverse effects would be avoided not only for the fiftieth session of the General Assembly, but for the fifty-first session as well, and also for the meetings of all other bodies. Information should be provided on the financial implications of the draft resolution and on its effect on the efficiency of the Office of Conference and Support Services, especially where French, Spanish and Arabic interpretation were concerned.

50. Draft resolution A/C.5/49/L.65, as orally revised, was adopted.

51. Mr. SCOTTI (France) endorsed the comments made by the representative of Cuba.

52. Mr. MUÑOZ (Spain) endorsed the Cuban delegation's comments and stressed the importance of establishing a clear policy on the matter as soon as possible.

AGENDA ITEM 132: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

(a) FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

Draft resolution A/C.5/49/L.68

53. Mr. MADDENS (Belgium), introducing draft resolution A/C.5/49/L.68, said that the aim was to establish a definitive system for administration of the support account for peace-keeping operations, embodying guarantees for both the General Assembly and the Secretariat. For the General Assembly, the draft

resolution accommodated the main concern of many delegations, namely, that a mechanism should be established for oversight of extrabudgetary funds which were nevertheless subject to assessment. For the Secretariat, the suggested mechanism would guarantee the flexibility necessary to discharge its responsibilities for so unpredictable an undertaking as peace-keeping.

54. An amendment agreed to in the informal consultations had inadvertently been omitted from the text of paragraph 13, which should read:

> "Decides that further consideration of these staffing requirements will be subject to review during the fall session of the fiftieth session of the General Assembly, ...".

55. Draft resolution A/C.5/49/L.68, as orally revised, was adopted.

56. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) made two technical points with regard to the draft resolution. The reference in paragraph 12 to "61 positions under general temporary assistance" connected those positions to the Secretary-General's report (A/48/470/Add.1). In that document, however, the Secretary-General had in fact proposed 92 posts for the support account for the balance of 1994, of which ACABQ had recommended 62 posts; the Fifth Committee had added three more posts, making a total of 65 posts (A/48/955). The General Assembly had subsequently authorized funding for those posts under general temporary assistance between 1 July and 31 December 1994 (resolution 48/226 C), and had later, on the recommendation of ACABQ and the Fifth Committee, converted 4 of those 65 posts (decision 49/469), leaving 61 under general temporary assistance. Strictly speaking, therefore, those 61 posts were the posts recommended by the Advisory Committee, not by the Secretary-General.

57. His second point, also with reference to paragraph 12, was that the General Assembly could not decide when staff contracts would terminate. Such a decision was for the Secretary-General, since the contract was between him and the staff member.

58. Mr. MUÑOZ (Spain), speaking on behalf of the European Union, expressed satisfaction at the agreement reached on the item. The new procedures represented a substantial improvement and would allow better management of the support account in the future. It was, however, disappointing that no agreement had been reached on conversion of the 61 posts. He hoped the Committee would be able to reach a decision during the fiftieth session of the General Assembly.

59. Mr. KUZNETSOV (Russian Federation) said he fully supported the views of the European Union. Since peace-keeping activities were so important it was essential to manage them effectively, particularly in regard to human resources. At the fiftieth session, the Committee would need to act with flexibility and determination if it was to deal successfully with the issue.

60. Further to the comments made by the Chairman of the Advisory Committee, he said that the references in paragraphs 12 and 13 should be more accurate. As he understood it, the views of the Chairman of ACABQ reflected the wishes of the Fifth Committee.

61. Mr. CHUINKAM (Cameroon) said he believed the technical points made by the Chairman of the Advisory Committee were correct.

62. Mr. SHARP (Australia) endorsed the statements made by the representatives of Spain and the Russian Federation. He also agreed with the points made by the Chairman of the Advisory Committee.

(b) RELOCATION OF BELARUS AND UKRAINE TO THE GROUP OF MEMBER STATES SET OUT IN PARAGRAPH 3 (c) OF GENERAL ASSEMBLY RESOLUTION 43/232 (continued)

Draft resolution A/C.5/49/L.64

63. Mr. MOJOUKHOV (Belarus) requested clarification of the status of the draft resolution. The version before the Committee had not been discussed, to his knowledge.

The meeting was suspended at 10 p.m. and resumed at 11.30 p.m.

64. The CHAIRMAN said that, after consultations among the interested parties, it had been proposed that a second preambular paragraph should be added, to read: "Having received the request of Belarus for reclassification from group B to group C,".

65. The third paragraph should also be amended to read "Also decides to consider the request of Belarus for reclassification from group B to group C at its resumed forty-ninth session and to take action not later than the fiftieth regular session of the General Assembly."

66. Mr. SOARES (Portugal) said that credits resulting from the arrangement provided for in the draft resolution should be deposited in a suspense account until the fiftieth session of the General Assembly.

67. Mr. MOJOUKHOV (Belarus) said that his delegation was grateful to the Chairman and other participants in the consultations, the delegation of Portugal in particular, whose efforts had led to an agreement. He proposed that the text should be adopted as amended without a vote.

68. Draft resolution A/C.5/49/L.64, as orally revised, was adopted.

69. The CHAIRMAN proposed that, in the light of the draft resolution just adopted, the Committee should recommend to the General Assembly that it should decide to include in the provisional agenda of its fiftieth session the item entitled "Relocation of Ukraine to the group of Member States set out in paragraph 3 (c) of General Assembly resolution 43/232".

70. It was so decided.

ORGANIZATION OF WORK

71. Mr. AMARI (Tunisia) proposed that the third part of the resumed forty-ninth session should be held on 6, 7 and 8 September 1995.

72. It was so decided.

CLOSURE OF THE SECOND PART OF THE RESUMED FORTY-NINTH SESSION OF THE FIFTH COMMITTEE

73. After an exchange of courtesies in which Mr. AMARI (Tunisia), Mr. SCOTTI (France), Mrs. ARAGON (Philippines), speaking on behalf of the Group of 77 and China, and Mr. MUÑOZ (Spain), speaking on behalf of the European Union, participated, the CHAIRMAN declared the work of the second part of the resumed forty-ninth session of the Fifth Committee closed.

The meeting rose at 11.55 p.m.

UNITED NATIONS

General Assembly

FORTY-NINTH SESSION

Official Records

FIFTH COMMITTEE
67th meeting
held on
Monday, 11 September 1995
at 3 p.m.
New York

SUMMARY RECORD OF THE 67th MEETING

Chairman: Ms. PEÑA (Mexico)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

ORGANIZATION OF WORK

AGENDA ITEM 107: PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995 (continued)

Programme budget implications of draft resolution A/49/L.68 concerning agenda item 10

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In the absence of Mr. Teirlinck (Belgium), Ms. Peña (Mexico), Vice-Chairman, took the Chair.

The meeting was called to order at 3.25 p.m.

ORGANIZATION OF WORK

1. Mrs. ARAGON (Philippines), speaking on behalf of the Group of 77 and China, proposed that consideration of draft resolution A/C.5/49/L.60 on the rationalization of the work of the Fifth Committee should be deferred until the fiftieth session of the General Assembly.

2. The CHAIRMAN said that she took it that the Committee wished to adopt the proposal of the representative of the Philippines.

3. It was so decided.

AGENDA ITEM 107: PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995 (continued)

Programme budget implications of draft resolution A/49/L.68 concerning agenda item 10 (A/49/7/Add.14, A/49/L.68; A/C.5/49/71)

4. Mr. TAKASU (Controller), introducing the Secretary-General's statement of programme budget implications of draft resolution A/49/L.68 (A/C.5/49/71), said that the Secretariat services required by the Open-ended High-level Working Group of the General Assembly would depend on the scope and intensity of its activities and the frequency of its meetings. The Working Group's mandate covered such broad areas as the revitalization, strengthening and reform of the United Nations system and experience had shown that working groups with such broad mandates required substantial assistance from the Secretariat. The Secretary-General had therefore indicated in his statement that additional support services would be required, since the programme budget estimates for 1996-1997 had been based on minimum requirements. He noted that no firm pledges had yet been received, particularly for 1996, and, depending on how the Working Group progressed with its programme of work and whether voluntary contributions were made, the Secretary-General might need to submit revised estimates for 1996-1997 at the fiftieth session.

5. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/49/7/Add.14) on the Secretary-General's statement of the programme budget implications of draft resolution A/49/L.68, noted that total requirements for 1995 would amount to $451,100, while the estimated requirements for 1996 were shown as $1,673,400, for a total of $2,124,500 for the two years. Of that amount, $288,400 was for staff costs, $500,000 for consultants and $1,336,100 for conference-servicing requirements.

6. The Secretary-General anticipated that additional requirements in respect of conference servicing of the Working Group in 1996 would be met from resources already requested and that, with regard to additional resources for the financing of additional staff to service the Working Group in 1996, revised estimates for 1996-1997 would be submitted to the General Assembly at its

fiftieth session. The Advisory Committee's own review of the proposed programme budget for 1996-1997, however, revealed that demand for conference services exceeded capacity. It was therefore difficult, at the current stage, to ascertain the impact of the meetings of the Working Group on conference-servicing capacity.

7. With regard to the Secretary-General's estimate of $500,000 for consultants, the Advisory Committee was of the view that, irrespective of the source of funding, the services of external consultants must be sought only when the required expertise was unavailable within the Secretariat.

8. Finally, the Advisory Committee believed that the Secretary-General's proposal to submit revised estimates for 1996-1997 to the General Assembly to finance additional staff to service the Working Group in 1996 was inconsistent with paragraph 5 of the draft resolution. Subject to the observations he had just made, the Fifth Committee might wish to inform the General Assembly that if it adopted draft resolution A/49/L.68, no additional appropriation would be required for the programme budget for the biennium 1994-1995.

9. Ms. SHENWICK (United States of America) said that her delegation was prepared to adopt draft resolution A/49/L.68 subject to the Advisory Committee's recommendations.

10. The CHAIRMAN proposed that the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/49/L.68, no additional appropriation would be required under the programme budget for the biennium 1994-1995, and that the meetings of the Working Group during the fiftieth session of the General Assembly would require a specific exception to paragraph 7 of Assembly resolution 40/243, by which the Assembly, had decided that no subsidiary organ of the General Assembly could meet at Headquarters during a regular session of the General Assembly unless explicitly authorized by the Assembly.

11. It was so decided.

The meeting rose at 3.45 p.m.

UNITED NATIONS

General Assembly

FORTY-NINTH SESSION
Official Records

FIFTH COMMITTEE
68th meeting
held on
Tuesday, 12 September 1995
at 10 a.m.
New York

SUMMARY RECORD OF THE 68TH MEETING

Chairman: Ms. PEÑA (Mexico)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 10: REPORT OF THE SECRETARY-GENERAL ON THE WORK OF THE ORGANIZATION

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Distr. GENERAL
A/C.5/49/SR.68
19 September 1995

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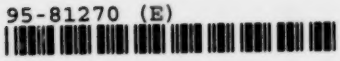

In the absence of Mr. Teirlinck (Belgium), Ms. Peña (Mexico), Vice-Chairman, took the Chair.

The meeting was called to order at 10.20 a.m.

AGENDA ITEM 10: REPORT OF THE SECRETARY-GENERAL ON THE WORK OF THE ORGANIZATION

Financial situation of the United Nations (A/49/43)

1. Mr. SUCHARIPA (Austria), Vice-Chairman of the High-level Open-ended Working Group on the Financial Situation of the United Nations, introduced the report of the Working Group, which had met at Headquarters from January to July 1995 to deal with a Programme of Work comprising the question of payment by Member States of their contributions to the United Nations in full and on time; the problem of arrears in the payment of contributions; the cash-flow situation of the United Nations; the procedure for the approval of peace-keeping budgets and appropriations; the methods of calculating the scale of assessments; and any other elements raised during the general debate.

2. On the basis of the proposals made during the general debate and the first round of discussions, a "checklist of proposals" containing a summary list of proposals had been prepared. Subsequently, a non-paper had been placed before the Working Group, dealing with the reaffirmation to pay assessed contributions in full and on time and without conditions; the strict interpretation of Article 19 of the Charter of the United Nations; incentives, disincentives and the question of payment in instalments; issues related to capacity to pay; and special issues related to the peace-keeping scale of assessment.

3. The Secretary-General had made a statement to the Working Group in which he had given an account of the current financial situation of the United Nations and had asked for the urgent assistance of Member States in dealing with the serious situation that the Organization was facing.

4. Although the Working Group had failed to achieve consensus, it had nevertheless succeeded in clarifying important issues, and it was hoped that the discussion would build on the work done during the forty-ninth session of the General Assembly with a view to taking the most appropriate measures to provide the United Nations with a viable financial base commensurate with the challenges it would have to face after its fiftieth anniversary. To that end the Working Group had recommended to the General Assembly the adoption of the draft decision contained in paragraph 33 of its report.

5. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that as at 31 August 1995, outstanding assessed contributions stood at over $3.7 billion. The cash-flow problem was particularly acute with respect to the regular budget to which contributions of almost $850 million were still outstanding. As at the end of August, only 64 Member States had paid their regular budget contributions in full.

6. The regular budget had run out of cash in mid-August and $98 million had had to be borrowed from peace-keeping operations in order to maintain regular budget activities. Unless significant contributions were forthcoming from Member States with outstanding contributions, borrowing would increase alarmingly in the coming months. The situation was made particularly bleak by the fact that unprecedented amounts were involved and there was no sign that the outstanding contributions would arrive by October or November.

7. Moreover, total disbursements were likely to be much higher than expected owing to expenditures for programmes whose financing arrangements had not been agreed upon until very recently, such as the war crimes tribunal for the former Yugoslavia, and to the decline in the value of the dollar against other currencies of major duty stations. In addition, payment from one major contributor was expected to arrive very much later than usual during the current year.

8. The Secretary-General had proposed various measures for dealing with the critical financial situation, such as discontinuing troop reimbursements and payment of letters of assist to Governments. In addition the Secretary-General had decided to freeze recruitment, strictly curtail overtime and travel of staff, defer representation allowances, suspend new consultancies and purchases of furniture and equipment, delay payments to vendors and pay Professional staff monthly rather than semi-monthly. A reduction in the number of meetings and conferences was also being considered. The Secretary-General intended to direct specific appeals to those Member States which accounted for the bulk of the arrears.

9. The CHAIRMAN took it that the Committee wished to take note of the report of the High-level Open-ended Working Group on the Financial Situation of the United Nations and transmit it to the plenary Assembly for action.

10. It was so decided.

The meeting rose at 10.45 a.m.

UNITED NATIONS

General Assembly

FORTY-NINTH SESSION

Official Records

FIFTH COMMITTEE
69th meeting
held on
Wednesday, 14 September 1995
at 3 p.m.
New York

SUMMARY RECORD OF THE 69th MEETING

Chairman: Ms. PEÑA (Mexico)
(Vice-Chairman)

CONTENTS

AGENDA ITEM 132: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

(b) RELOCATION OF BELARUS TO THE GROUP OF MEMBER STATES SET OUT IN PARAGRAPH 3 (c) OF GENERAL ASSEMBLY RESOLUTION 43/232 (continued)

COMPLETION OF THE COMMITTEE'S WORK

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19 September 1995

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95-81276 (E)

In the absence of Mr. Teirlinck (Belgium, Ms. Peña (Mexico), Vice-Chairman, took the Chair.

The meeting was called to order at 4.45 p.m.

AGENDA ITEM 132: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

(b) RELOCATION OF BELARUS TO THE GROUP OF MEMBER STATES SET OUT IN PARAGRAPH 3 (c) OF GENERAL ASSEMBLY RESOLUTION 43/232 (continued) (A/C.5/49/L.70)

1. The CHAIRMAN introduced draft resolution A/C.5/49/L.70, which had emerged from the informal consultations on A/C.5/49/L.70, which had emerged from the informal consultations on the sub-item.

2. Mr. SYCHOU (Belarus) called upon members to support the adoption of the draft resolution. His country would continue to support the comprehensive reform of the scale of assessments both for the regular budget and for peace-keeping operations on the basis of the principle of the capacity to pay. The neutral, ad hoc arrangement that was proposed would have no negative financial implications for the membership of the United Nations and would facilitate his country's efforts to fulfil its obligations in respect of the peace-keeping operations. The Government of Belarus intended to deal with the arrears in its contributions for peace-keeping operations on the basis of the principle of the capacity to pay; it was considering possible procedures and timetables for payments of those arrears and would keep the General Assembly informed of developments in the matter.

3. Mr. AMARI (Tunisia) commended Portugal for voluntarily moving from group C to group B and expressed his delegation's sympathies for the position of Belarus. In spite of its reservations concerning some provisions in the draft resolution his delegation would not oppose the adoption of the draft resolution in view of the special nature of the arrangement that was to be authorized.

4. Draft resolution A/C.5/49/L.70 was adopted.

5. Mr. SYCHOU (Belarus) expressed his delegation's gratitude to the Chairman for her efforts to resolve the difficult issues dealt with in the draft resolution, and especially to the delegation of Portugal, whose willingness to compromise had made possible the adoption of the draft resolution.

6. Mrs. ARAGON (Philippines), speaking on behalf of the Group of 77 and China, thanked the Chairman for coordinating the efforts to build a consensus in support of the draft resolution. The most urgent problem facing the Organization was the cash-flow crisis that had been caused by the failure of Member States to pay their assessed contributions in full and on time. The reference in the draft resolution to the High-level Open-ended Working Group on the Financial Situation of the United Nations would not in any way prejudge the discussions or conclusions of that group.

7. Mrs. EMERSON (Portugal) expressed satisfaction at the consensus reached on relocating Belarus from group B to group C. She reiterated her Government's support for the work of the High-level Open-ended Working Group on the Financial Situation of the United Nations, which, it hoped, would lead to decisions correcting the unfair situations of other Member States not affected by the draft resolution just adopted.

8. Mr. THURNE (United Kingdom) said that his delegation had not opposed the adoption of the draft resolution primarily because of its concern over the situation which Belarus had been in for some years. However, that concern also extended to other countries faced with similar problems, and his delegation therefore attached much importance to the achievement of the objectives of the High-level Open-ended Working Group on the Financial Situation of the United Nations, including the creation of an equitable scale of assessments that truly reflected the capacity to pay of the Member States. His delegation was able to agree to the draft resolution because it clearly specified that the High-level Open-ended Working Group would continue its work on relevant issues, and that the arrangement provided for in it was a special, ad hoc one. His delegation joined those commending Portugal for its generosity in voluntarily accepting reclassification to a higher level of assessment.

9. Mr. KUZNETSOV (Russian Federation) expressed his delegation's sincere gratitude to the Chairman for her efforts to resolve a complex matter, and commended the flexibility and constructive attitude demonstrated by Portugal and Belarus. The relocation of Belarus from group B to group C corrected one of the current system's more obvious and inequitable anomalies. However, solving the problem of Belarus did not remove other anomalies and clear injustices in the current system of apportionment of expenses for peace-keeping operations, and his delegation hoped that the High-level Open-ended Working Group on the Financial Situation of the United Nations would redouble its efforts in that regard.

10. Mr. GRANT (United States of America) joined other delegations in thanking the Chairman for her efforts to help the Committee resolve the problem of Belarus. His Government's objections to the original proposal had been accommodated by the clear indication in the draft resolution that the measure adopted was exceptional and that further consideration would be given to possible changes in the scale of assessments for peace-keeping operations. The reference to that process without any prejudgment of its outcome was crucial to his delegation's support for the draft resolution. The difficulties experienced by the Committee in reaching agreement on the issue clearly reflected the problems inherent in the current scale of assessments: it was inflexible; it had an illogical, "all-or-nothing" system of discounts; it lacked clear criteria for assigning countries to groupings; great disparities existed between the rates paid by countries in the different groupings; and there were inequities in the assignment of countries in similar circumstances to different groupings. Consequently, his delegation hoped that in the future work of the High-level Open-ended Working Group on the Financial Situation of the United Nations, all Member States would commit themselves to addressing the long-overdue comprehensive review of the scale of assessments for peace-keeping operations.

11. Ms. ALMAO (New Zealand) said that her delegation had supported the draft resolution, which went some way towards redressing the structural imbalance inherent in earlier General Assembly decisions. However, the problem addressed by the draft resolution was not exclusive to Belarus; a number of other Member States were also being heavily penalized by the existing system for the apportionment of peace-keeping expenses. Her delegation believed that the General Assembly should address the concerns of all Member States which were affected by the anomalies of the current system and which were being assessed at rates that did not accurately reflect their capacity to pay. Her delegation was committed to reaching an equitable solution to the problems of such States, problems which in themselves were contributing to the deteriorating financial situation of the United Nations. The most appropriate forum in which to seek such a solution was the High-level Open-ended Working Group on the Financial Situation of the United Nations.

COMPLETION OF THE COMMITTEE'S WORK

12. After the customary exchange of courtesies, the CHAIRMAN declared that the Fifth Committee had completed its work for the forty-ninth session.

The meeting rose at 5.20 p.m.